



DEPARTMENT OF ECONOMIC DEVELOPMENT

Douglas M. Duncan  
*County Executive*

David W. Edgerley  
*Director*

**Frequently Asked Questions concerning the Fuel-Energy Tax Program for  
Certified Agricultural Producers**

*How will the Fuel-Energy Tax Program help me?*

Montgomery County imposes a tax on all fuel-energy that is used on your property. All sources of fuel-energy that are delivered to a farm and used as part of an agricultural operation are normally taxed at a higher non-residential rate as compared to fuel energy provided for residential use. If you are a Certified Agricultural Producer, the lower residential tax rate can be charged on your farm fuel-energy needs.

*How do I know if I am being charged the correct tax rate for the fuel-energy that I use?*

In May of 2005, the County Council adopted the Fuel-Energy Tax rates (see attached) for the fiscal year 2006, which ends June 30, 2006. Check your monthly fuel-energy billing statement to see if you are being charged the residential rates for your fuel-energy.

*What kinds of energy are eligible for the Certified Agricultural Producers Program?*

- Electricity used for agricultural purposes that is metered separately from the meter on your house
- Dyed diesel fuel that is delivered to your farm for off-road use
- Liquid petroleum (LP) gas that is delivered to the farm for nonresidential use

*Fuel-Energy Taxes that are charged at a residential rate represent a 37% savings from the non-residential tax rate.*

*Will the Certified Agricultural Producer designation affect the base kilowatt-hour rate charged by my power company?*

No. It is important to note that the base kilowatt-hour rate charged is independent of the tax that is levied. The Certified Agricultural Producers Program will only affect the *tax* rate you are charged per kilowatt hour, and can not be used to alter the base rate you are charged per kilowatt hour.

**Agricultural Services Division**

***If I have only one electric meter on my property, and it is attached to my house, will this program help me?***

No. Electric meters that are attached to a residential structure are already taxed at a residential rate. If you have another electric meter attached to an outbuilding that is used for agricultural purposes, check your fuel-energy billing statement for the tax rate charged on the second electric meter. If the second meter is charged at the higher nonresidential rate, the Certified Agricultural Producers program can help you.

***If I have fuel oil delivered to my property, will this program help me?***

Maybe. Fuel oil that is used for heating your home should already be taxed at the residential rate. This type of fuel is dyed diesel fuel that can be used for off-road vehicles and farm equipment. If you have fuel oil delivered for off-road vehicles and farm equipment, check your fuel-energy billing statement for the tax rate you are being charged. You will only realize a savings on fuel oil for agricultural use that is charged at a non-residential rate.

***I operate an equestrian facility. Is my facility eligible for consideration in this program?***

Yes. Based on changes in County law that occurred after the first certification period was complete, an equestrian facility is now eligible for consideration as a Certified Agricultural Producer. Note that your facility must still meet at least one of the seven application criteria to be certified.

***The cover letter mentions a "bona fide agricultural operation." What does that mean?***

In order to prove that your property supports a bona fide agricultural operation, the County determines whether or not you are enrolled with one of the following programs or agencies: the Montgomery Soil Conservation District, the Maryland Nutrient Management Program, the United States Department of Agriculture's Farm Service Agency, the Maryland Cooperative Extension Service, or the Montgomery County Farmers Market Association. Maryland Department of Agriculture Certified Organic Growers are also eligible for the program, as are most AEP, MALPF, RLP and MET (farmland preservation) properties. If you do not fall into any of these categories but feel that you run a bona fide farming operation, please contact Jeremy Criss at 301-590-2830. Your operation may be given individual consideration depending on the circumstances.

***If I am approved as a Certified Agricultural Producer, will my fuel- energy suppliers be notified?***

Yes. The County will provide the suppliers with a list of Certified Agricultural Producers. However, it is in your best interest to contact your fuel-energy supplier(s) and inform them of your certification status.

Resolution No. 15-1005  
Introduced: April 19, 2005  
Adopted: May 19, 2005

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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By: Council President at the request of the County Executive

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**SUBJECT:** Fuel/energy tax – rates

**Background**


1. Section 52-14 of the County Code levies a tax on persons transmitting, distributing, manufacturing, producing, or supplying electricity, gas, steam, coal, **fuel** oil, or liquefied petroleum gas in the County.
2. Section 52-14 also provides that the County Council may amend the **fuel/energy** tax rates by resolution, after a public hearing advertised as required by Section 52-17. A public hearing was held on this resolution on May 10, 2005.
3. The Council finds ~~that~~ it is fair and equitable to continue different rates for fuels and energy transmitted, distributed, manufactured, produced, or supplied for residential and agricultural purposes and for **non-residential** purposes.

**Action**

The County Council for Montgomery County, Maryland, approves the following resolution:

1. On and after July 1, 2005, the **fuel/energy** tax rates levied under Section 52-14 of **the County** Code are as shown on Schedule **A**, attached to this resolution.
2. This Resolution supersedes Resolution 15-620.

This is a correct copy of Council action.

  
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Linda M. Lauer, Clerk of the Council

## SCHEDULE A (FY2006)

(a) For fuel-energy transmitted, distributed, manufactured, produced, or supplied for residential and agricultural purposes:

FUEL-ENERGY	TAX RATE
Electricity (per kilowatt hr)	\$0.0047489058
Gas (per therm)	\$0.0428442228
Steam (per therm)	\$0.0535689720
Coal (per ton)	\$11.1191220000
Fuel oil (per gallon)	
No. 1	\$0.0586081800
No. 2	\$0.0607991400
No. 3	\$0.0607991400
No. 4	\$0.0622232640
No. 5	\$0.0634282920
No. 6	\$0.0648524160
Liquefied petroleum gas (per pound)	\$0.0092568060

(b) For fuel-energy transmitted, distributed, manufactured, produced, or supplied for non-residential purposes:

FUEL-ENERGY	TAX RATE
Electricity (per kilowatt hr)	\$0.0125847830
Gas (per therm)	\$0.1135373730
Steam (per therm)	\$0.1419577758
Coal (per ton)	\$29.4638475000
Fuel oil (per gallon)	
No. 1	\$0.1553116770
No. 2	\$0.1611177210
No. 3	\$0.1611177210
No. 4	\$0.1648916496
No. 5	\$0.1680849738
No. 6	\$0.1718589024
Liquefied petroleum gas (per pound)	\$0.0245305359